

Don Nickerson

MORGAN, LEWIS & BOCKIUS

Ms. Noreta R. McGee

- 2 -

November 15, 1989

A description of the equipment covered by Schedule No. 3 follows: forty-five 8253 cu. ft. woodchip gondolas manufactured by Thrall Manufacturing Company, Serial Nos. ASAB 1837, 1842, 1849, 1852 through 1886 and 1888 through 1894.

A filing fee of \$15.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Leonard A. Potter, Esq.
Morgan, Lewis & Bockius
101 Park Avenue
New York, NY 10178

A short summary of the documents to appear in the index follows:

Lease Schedule No. Series 1-No. 3, dated as of October 13, 1989 and connected to the Lease dated August 31, 1989 between Connell Finance Company, Inc., as lessor, and Stone Container Corporation, as lessee, covering forty-five 8253 cu. ft. woodchip gondolas manufactured by Thrall Manufacturing Company, Serial Nos. ASAB 1837, 1842, 1849, 1852 through 1886 and 1888 through 1894.

Very truly yours,

Leonard A. Potter, as
representative in fact of
Connell Finance Company, Inc.

Interstate Commerce Commission
Washington, D.C. 20423

11/15/89

OFFICE OF THE SECRETARY

Leonard A Potter, Esq
Morgan, Lewis & Bockius
101 Park Avenue $\frac{1}{2}$ =
New York, NY.10178

Dear Sir: =

The enclosed document(s) was recorded pursuant to the
provisions of Section 11303 of the Interstate Commerce Act, 49
U.S.C. 11303, on 11/15/89 at 12:45pm and assigned recordation
number(s). 16568

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

LEASE SCHEDULE

Master Equipment
Lease Agreement No. 1989 A

Master Equipment
Lease Agreement Date: August 31, 1989

Lease Schedule No.: Series 1 - No. 3

Lease Schedule Date: October 13, 1989

RECORDATION NO. 16568-C FILED 1989
NOV 15 1989 - 12 45 PM
INTERSTATE COMMERCE COMMISSION

Between CONNELL FINANCE COMPANY, INC. (Lessor) and STONE CONTAINER CORPORATION (Lessee).

1. Equipment Description:

<u>Quantity</u>	<u>Item</u>	Manufacturer and Serial Number
45	8253 cu. ft. Woodchip gondolas	THRALL CAR MFG. CO.; ASAB 1837 1842 1849 1852 through 1886 1888 through 1894
2. Equipment Location:

The above Equipment has been delivered to the Atlanta and Saint Andrews Bay Railway Company.
3. Base Lease Term:

The date hereof through September 29, 2007.
4. Rental for Base Lease Term:

Payable per the attached Rental Schedule (Exhibit A.)
5. Equipment Cost:

\$2,201,966.10
6. Stipulated Loss Values:

As of any date set forth on Exhibit B hereto, the percentage of Equipment Cost listed opposite such date plus all rent payable on such date.
7. Early Termination:

Provided the Lessee is not in default under the Lease or any other agreement between Lessor and Lessee, upon not less than 180 days prior written notice to Lessor, the Lessee may elect to terminate all of the Equipment on this Lease Schedule on March 29, 2005. Concurrently, Lessee will pay Lessor, in cash, 23.86% of original Equipment cost. Thereafter, Lessee shall (a) be relieved of all obligations to pay rental payments accruing under this Schedule after such termination date, (b) remain liable (i) for rental payments due and not paid prior to such termination date and (ii) for all such obligations which, by terms of the Lease, expressly survive the termination thereof, and (c) return the Equipment subject to Paragraph 24 of the Lease.
8. Purchase Option:

If no event of Default or event which with the passage of time, giving of notice, or both, would become a Default exists, Lessee shall have the option to purchase all but not less than all of the Equipment on this Schedule on the last day of the original term of this Lease, if Lessee is not in default under this Lease, upon Lessee's written notice to Lessor, at Lessor's address stated in the Lease, not earlier than 360 days nor later than

210 days prior to the end of the original lease term of this Lease. The purchase price shall be payable at the expiration of the original term. The purchase option price shall be the Fair Market Value ("FMV") for the Equipment (assuming that the Equipment has been maintained in accordance with this Lease). Notwithstanding the preceding sentence, Lessor shall not be required by this Lease to sell the equipment at a purchase price which is less than 20% of Equipment Cost (set forth on this Schedule); provided however that if after receipt of a notice from Lessee indicating Lessee's intention to exercise its option to purchase the Equipment, Lessor shall elect not to sell the Equipment to Lessee because FMV is below 20% of Equipment Cost, then Lessor shall not, within 180 days of the last day of the original term of the Lease, sell the Equipment to any third party for less than 20% of Equipment Cost unless Lessee shall first be offered the right to purchase and shall within 30 days of such offer, purchase the Equipment upon the same terms and conditions. FMV shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arms-length transaction between an informed and willing buyer (other than a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of Equipment from their location of current use shall not be a deduction from such value. In the event Lessee purchases Equipment, Lessee shall be responsible for all applicable sales tax. If during the period of thirty (30) days from Lessor's receipt of the aforesaid written notice from Lessee of Lessee's intention to exercise said purchase option, Lessor and Lessee determine that they cannot agree upon such Fair Market Value, then the Lessee shall have the right either (x) to revoke the purchase notice upon written notice to the Lessor, or (y) in no event later than 90 days prior to the end of the Lease term, to have such value determined, by the average of the two appraisals which are closest to the average of the independent appraisals of three parties, one of whom shall be selected by Lessee, one of whom shall be selected by Lessor and a third who shall be mutually selected by Lessee and Lessor. Both Lessor and Lessee shall be bound by such appraisal. All appraisal costs, fees and expenses shall be shared equally by the Lessee and Lessor.

9. Lease Rate Adjustments:

The Rental Payments provided for in Paragraph 6 of the Lease have been computed based on various assumptions supplied by the Lessee. In the event that there are changes in the original lease assumptions, Lessor may increase or decrease the Rental Payments and Stipulated Loss Values to preserve the Lessor's Net Return. Such Rental Payment adjustments may be caused by any one or more of the following:

(1) A funding date later than December 31, 1989.

(2) Fees and expenses, of the Lessor, which exceed \$5,000.

(3) A change in the Internal Revenue Code ("Code") or a change in the applicable Home State Laws or a version of which has been proposed by any member of the legislative or executive branch which is enacted or becomes effective on or before Funding or a change in the income tax regulations, published administrative interpretations or judicial divisions thereunder which is both published, and effective on or before Funding. In the event of a change in the Code or the State laws or a change in the applicable Home State Laws described above, which is enacted or becomes effective on or before Funding, the rentals will be increased or decreased accordingly, in an amount sufficient to maintain the Net Return.

10. This Lease Schedule and each other Series 1 Lease Schedule shall be deemed to be one and the same Lease Schedule for all purposes of the Master Equipment Lease Agreement No. 1989 A, including but not limited to, Sections 13, 19, 20, 21, 25 and 33 thereof.

11. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.

CONNELL FINANCE COMPANY, INC.

By: _____

Printed Name: Grover Connell

Title: President

Date: 10/13/89

STONE CONTAINER CORPORATION

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF New Jersey
COUNTY OF Union ss.:

On this 13th day of
October, 1989 before me
personally known, who being by me duly
sworn, says that he is the
President of Connell Finance
Company, Inc., that said instrument was
signed on behalf of said corporation by
authority of its Board of Directors, and
he acknowledged that the execution of
the foregoing instrument was the free
act and deed of said corporation.

Virginia Anter
Signature of Notary Public
My Commission expires

VIRGINIA ANTER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 11, 1994

STATE OF _____
COUNTY OF _____ ss.:

On this _____ day of
_____, 1989 before me
personally known, who being by me duly
sworn, says that he is the
_____ of Connell Finance
Company, Inc., that said instrument was
signed on behalf of said corporation by
authority of its Board of Directors, and
he acknowledged that the execution of
the foregoing instrument was the free
act and deed of said corporation.

Signature of Notary Public
My Commission expires

CONNELL FINANCE COMPANY, INC.

STONE CONTAINER CORPORATION

By: _____

By: *Michael B. Wheeler*

Printed Name: _____

Printed Name: **MICHAEL B. WHEELER**
Vice President, Treasurer and Assistant Secretary

Title: _____

Title: _____

Date: _____

Date: 10-13-89

STATE OF _____)
COUNTY OF _____) ss.:

On this ____ day of _____, 1989 before me personally known, who being by me duly sworn, says that he is the _____ of Connell Finance Company, Inc., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

STATE OF ILL)
COUNTY OF COOK) ss.:

On this 13 day of OCTOBER, 1989 before me personally known, who being by me duly sworn, says that he is the VP & TREASURER of Connell Finance Company, Inc. *Stone Container Corporation*, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Signature of Notary Public
My Commission expires _____

Quinella L. Duncan
Signature of Notary Public
My Commission expires 12/23/92

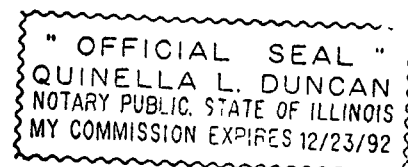


EXHIBIT A

<u>DATE</u>	<u>RENT ADVANCE</u>	<u>RENT ARREARS</u>
3/30/90	0.00000	0.00000
9/30/90	0.00000	4.00000
3/30/91	0.00000	5.14318
9/30/91	0.00000	4.00000
3/30/92	0.00000	5.14318
9/30/92	0.00000	4.00000
3/30/93	0.00000	5.14318
9/30/93	0.00000	4.00000
3/30/94	0.00000	5.14318
9/30/94	0.00000	4.00000
3/30/95	0.00000	5.14318
9/30/95	0.00000	4.00000
3/30/96	0.00000	5.14318
9/30/96	0.00000	4.00000
3/30/97	0.00000	5.14318
9/30/97	0.00000	4.00000
3/30/98	0.00000	7.17500
9/30/98	0.00000	11.17500
3/30/99	7.17500	0.00000
9/30/99	4.00000	0.00000
3/30/00	7.17500	0.00000
9/30/00	4.00000	0.00000
3/30/01	7.17500	0.00000
9/30/01	4.00000	0.00000
3/30/02	7.17500	0.00000
9/30/02	4.00000	0.00000
3/30/03	7.17500	0.00000
9/30/03	4.00000	0.00000
3/30/04	7.17500	0.00000
9/30/04	4.00000	0.00000
3/30/05	7.17500	0.00000
9/30/05	4.00000	0.00000
3/30/06	7.17500	0.00000
9/30/06	4.00000	0.00000
3/30/07	5.58750	0.00000

EXHIBIT B

DATE	TERM. AMOUNT
9/30/89	100.00000
10/30/89	100.91719
11/30/89	101.83956
12/30/89	102.76715
1/30/90	103.67581
2/28/90	104.58961
3/30/90	105.50858
4/30/90	106.42737
5/30/90	107.33622
6/30/90	108.25021
7/30/90	109.15424
8/30/90	110.06137
9/30/90	106.97765
10/30/90	107.84431
11/30/90	108.71586
12/30/90	109.59235
1/30/91	110.45865
2/28/91	111.32986
3/30/91	107.06280
4/30/91	107.88875
5/30/91	108.71229
6/30/91	109.54050
7/30/91	110.36632
8/30/91	111.19681
9/30/91	108.03200
10/30/91	108.82719
11/30/91	109.62688
12/30/91	110.43109
1/30/92	111.23278
2/29/92	112.03900
3/30/92	107.70660
4/30/92	108.47042
5/30/92	109.23571
6/30/92	110.00533
7/30/92	110.77647
8/30/92	111.55197
9/30/92	108.33185
10/30/92	109.07565
11/30/92	109.82366
12/30/92	110.57590
1/30/93	111.32955
2/28/93	112.08747
3/30/93	107.70649
4/30/93	108.42332
5/30/93	109.14439
6/30/93	109.86954
7/30/93	110.59897
8/30/93	111.33253
9/30/93	108.07023

10/30/93	108.77464
11/30/93	109.48302
12/30/93	110.19342
1/30/94	110.91202
2/28/94	111.63268
3/30/94	107.21423
4/30/94	107.89472
5/30/94	108.57925
6/30/94	109.26765
7/30/94	109.96012
8/30/94	110.65651
9/30/94	107.35684
10/30/94	108.02366
11/30/94	108.69424
12/30/94	109.36862
1/30/95	110.04699
2/28/95	110.72920
3/30/95	106.27209
4/30/95	106.91370
5/30/95	107.55913
6/30/95	108.20820
7/30/95	108.86113
8/30/95	109.51775
9/30/95	106.17808
10/30/95	106.80468
11/30/95	107.43482
12/30/95	108.06852
1/30/96	108.70599
2/29/96	109.34706
3/30/96	104.84858
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5/30/96	106.05595
6/30/96	106.66675
7/30/96	107.28495
8/30/96	107.90666
9/30/96	104.53188
10/30/96	105.12693
11/30/96	105.72526
12/30/96	106.32716
1/30/97	106.93633
2/28/97	107.54894
3/30/97	103.02184
4/30/97	103.59474
5/30/97	104.17949
6/30/97	104.76754
7/30/97	105.36752
8/30/97	105.97089
9/30/97	102.57768
10/30/97	103.18884
11/30/97	103.74229
12/30/97	104.33104
1/30/98	104.93073
2/28/98	105.53380
3/30/98	98.96528

4/30/98	99.51147
5/30/98	100.07320
6/30/98	100.63811
7/30/98	101.21867
8/30/98	101.80251
9/30/98	91.21466
10/30/98	91.71237
11/30/98	92.21291
12/30/98	92.71627
1/30/99	93.23493
2/28/99	93.73653
3/30/99	87.10608
4/30/99	87.57158
5/30/99	88.04917
6/30/99	88.52946
7/30/99	89.02192
8/30/99	89.51716
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12/30/99	87.44120
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6/30/00	83.07699
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11/30/00	81.35483
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1/30/01	82.25943
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3/30/01	76.00879
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8/30/01	78.10259
9/30/01	74.53610
10/30/01	74.94386
11/30/01	75.35392
12/30/01	75.76630
1/30/02	76.19046
2/28/02	76.61703
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4/30/02	70.23906
5/30/02	70.61866
6/30/02	71.00040
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9/30/02	68.18714

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2/28/03	70.08455
3/30/03	63.20361
4/30/03	63.33453
5/30/03	63.97679
6/30/03	64.32098
7/30/03	64.67657
8/30/03	65.03416
9/30/03	61.39378
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12/30/06	38.63264
1/30/07	38.84686
2/28/07	39.06229
3/30/07	33.69144

4/30/07	33.86092
5/30/07	34.06569
6/30/07	34.27162
7/30/07	34.51304
8/30/07	34.75584
9/30/07	35.00000